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Consumer markets abroad

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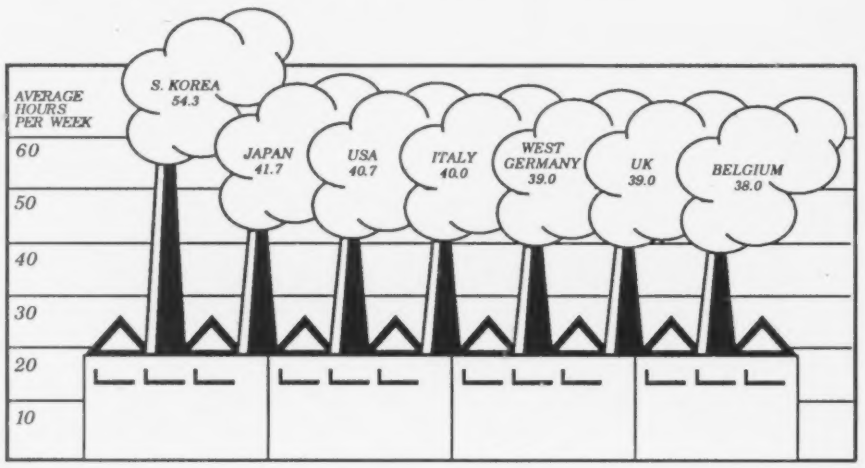
THE WORLD AT WORK

In most countries, workers and their work habits are changing fast.

PUNCHING THE CLOCK

Most industrial workers spend fewer hours on the job each week than they used to. In general, Asians work longer hours than Europeans.
(Average hours worked per week for manufacturing workers, 1985)



* ***Note:*** *Data for 1984.*
Sources: Der Arbeitsgeber, *no. 2, 1985, p. 56, in* Personnel Management, *Sept. 1985, p. 34; and* Far Eastern Economic Review, *August 27, 1987, p. 17.*

The world is changing its work habits. Work-force demographics look different: more than half of all working-age women throughout Europe and the United States now work, and more people retire early. The workplace also has changed:

LIFESTYLES AROUND THE WORLD

computers turn houses, cars, and airplane lounges into offices. But no matter who's working where, people spend fewer hours on the job.

A 45-hour workweek was once the rule. But in 1985, Belgian industrial workers spent about 38 hours a week at work. West German, French, and British industrial workers spent about 39, while most other European and American industrial workers spent about 40 hours on the job. Only Asians spent more time at work: the Japanese worked 42-hour weeks in 1985, even though most employers are trying to cut the workweek from six days to five. South Korean workers in manufacturing spent a record 54 hours a week at work in 1984.

(continued on page 9)

FORMERLY INTERNATIONAL DEMOGRAPHICS
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THE UNITED MEXICAN STATES: AN UPDATE

North Americans think Mexicans are poor. But South Americans think differently.

Mexico's image as America's poor southern neighbor grows stronger with every devaluation of the peso. The country's 1985 per capita gross national product was about US$2,220—just one-seventh of per capita GNP in the U.S. Most North Americans are not surprised to find that Mexicans try their luck "up north." But to a South American, Mexico has a completely different image. South Americans see Mexicans as their wealthy neighbors up north.

Only Latin American consumers in Venezuela, Suriname, and Trinidad and Tobago have higher incomes than Mexican consumers, on average. While several million Mexicans seek their fortunes in the U.S., several hundred thousand Central American refugees seek modest wealth in Mexico.

STABLE HAVEN

Mexico has had one of the most stable governments of any major Latin American country. Since 1929, the *Partido Revolucionario Institucional* (PRI) has ruled Mexican politics, although under different names. There are occasional challenges to PRI rule, such as the recent protests surrounding the newly-elected president, Carlos Salinas de Gortari. Gortari's commitment to a multiparty system may bring Mexico's opposition into mainstream politics.

Mexico supplied the largest share of immigrants to the U.S. in 1986, sending 66,500 people to live there legally. But the Census Bureau estimates that 1.5 to 3.0 million Mexicans live in the U.S. as undocumented aliens.

BRIDGING THE GAP

Mexico is a bridge between the wealthy north and the populous south. Consumers feel the pressure from both sides. (Mexican states by projected annual average population growth, in percent, 1980–1990)

Source: World Atlas of Nations, *Rand McNally, 1988, p. 113.*

Consumer markets abroad

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REGIONAL RANKINGS

Most Mexicans live in the Federal District valley, but tourist states such as Quintana Roo and Baja California are catching up fast.
(Mexican states by region with 1980 and projected 1990 populations, annual growth rates, 1980–1990, and population density, in persons per square kilometer, 1980)

Region and state	Population in 1980	Population in 1990	Annual growth rate 1980–90	Population density (persons/km²)
Total	69,655,120	85,784,224	**2.10%**	34.4
Northwest				
1. Baja California	1,227,314	1,429,309	**1.54**	17.5
2. Baja California Sur	224,310	339,864	**4.24**	3.0
3. Nayarit	756,849	868,463	**1.39**	27.1
4. Sinaloa	1,928,326	2,483,016	**2.56**	32.2
5. Sonora	1,577,842	1,857,720	**1.65**	8.2
North				
6. Chihuahua	2,089,766	2,268,902	**0.83**	7.9
7. Coahuila	1,622,865	1,967,317	**1.94**	10.4
8. Durango	1,232,210	1,420,698	**1.43**	9.4
9. Nuevo León	2,618,986	3,252,325	**2.19**	37.9
Gulf				
10. Tamaulipas	2,005,285	2,321,808	**1.48**	24.2
11. Veracruz	5,614,684	6,940,543	**2.14**	73.4
Center-North				
12. Aguascalientes	541,186	721,043	**2.91**	92.0
13. San Luis Potosí	1,744,498	2,089,798	**1.82**	26.5
14. Zacatecas	1,184,557	1,267,049	**0.68**	15.6
West				
15. Colima	360,892	432,885	**1.84**	65.3
16. Guanajuato	3,132,362	3,644,483	**1.53**	99.8
17. Jalisco	4,554,561	5,339,429	**1.60**	53.1
18. Michoacán	2,989,167	3,469,552	**1.50**	50.9
Center				
19. Hidalgo	1,612,962	1,871,818	**1.50**	72.9
20. Morelos	986,880	1,318,077	**2.94**	188.2
21. Puebla	3,488,045	4,210,500	**1.90**	96.7
22. Querétaro	770,795	1,000,334	**2.64**	63.4
23. Tlaxcala	580,076	687,258	**1.71**	136.3
Valley of Mexico				
24. Federal District	9,196,857	10,438,650	**1.27**	6,337.6
25. State of México	7,882,805	12,441,349	**4.67**	353.3
South and Southeast				
26. Campeche	438,298	633,507	**3.75**	7.3
27. Chiapas	2,173,227	2,599,616	**1.81**	28.3
28. Guerrero	2,198,443	2,648,976	**1.88**	33.8
29. Oaxaca	2,468,836	2,686,968	**0.85**	26.8
30. Quintana Roo	235,665	435,155	**6.32**	4.2
31. Tabasco	1,100,790	1,345,450	**2.03**	45.5
32. Yucatán	1,108,585	1,352,333	**2.01**	26.9

Sources: *CONAPO,* Boletín Informativo 16, *1985, p. 18; INEGI, X Censo General de Población y Vivienda, 1980.*

While several million Mexicans seek their fortunes in the U.S., several hundred thousand Central American refugees seek modest wealth in Mexico.

KID COUNT

Latin American women are bearing fewer children —a trend that will continue in the 1990s. (Fertility rate for selected Latin American countries, 1970–75 and 1980–85)

Source: Centro Latinoamericano de Demografía, Boletín Demográfico, *año XX, no. 39, Cuandro II.1, p. 29.*

But Mexico has its own immigration problems. Central American refugees in Mexico number about 400,000, most living there illegally.

DOUBLING FAST

Mexico's current population of 83,528,000 has doubled since 1964. Population growth fell below 3 percent a year in the late 1970s, and annual average growth will remain around 1.9 percent until 1990. Mexico's *Concejo Nacional de Población* (CONAPO) estimates that annual growth will slow to about 1.5 percent by the end of the century.

The states of Chihuahua and Zacatecas grew the slowest in the late 1970s, at 1.6 and 1.8 percent a year. Quintana Roo and the state of México grew the fastest, at 9.0 and 6.6 percent a year, respectively.

RADIAL GROWTH

Mexico is divided into 31 states, with one federal district. The country's population is polarized: of 125,520 localities registered in the 1980 census, only 2.3 percent were defined as urban (a city, town, or village with at least 2,500 inhabitants). However, these urban localities contained 61 percent of the total population.

The residents of Mexico City, Guadalajara, and Monterrey make up more than one-quarter of the country's total population.

Mexico City was the world's third largest metropolitan area in 1980, with 15 million people. By 1990, it will become the largest metropolitan area in the world, and more than 26 million people will live there early in the next century.

By 1980, only 34 percent of all Mexicans lived in rural areas. More than 42 percent lived in cities with at least 100,000 people. Mexicans will continue to migrate to large cities, although at a slower rate. Urban areas grew 4.8 percent from 1965 to 1973 and 4.0 percent from 1973 to 1984.

The government's national development plan, which began in 1983 and will operate until the end of the year, offered incentives for Mexicans to live outside of Mexico City and other large urban centers. The twenty medium-sized cities targeted for growth include Aguascalientes, Tijuana, Torreón, Manzanillo, Ciudad Juárez, León, and Acapulco.

TOURIST ATTRACTION

Tourism brings Mexican workers to coastal states, such as Quintana Roo, home of the Cancún resort area. Although tourist development has slowed, CONAPO projects a 6.3 percent annual growth rate for the state through the 1980s.

HONEYMOON HAVEN

Mexico's resort towns, like Acapulco and Cancún, bring in honeymoon dollars. (Tourist arrivals to Mexico, number of rooms, number of hotels and motels, and average length of tourist stay, in days, 1982–86)*

	1986	*1985*	*1984*	*1983*	*1982*
Tourist arrivals	4,625,000	4,207,000	4,654,000	4,749,000	3,767,600
Rooms	120,550†	300,500	262,475	263,231	257,221
Hotels and motels	2,018†	6,761	5,310	8,293	8,268
Average length of stay	10	9	10	9	10

* ***Note:*** *Tourist arrivals by air and sea.*
† ***Note:*** *1986 figures for hotels and motels and rooms drop sharply because of a severe earthquake that year.*
Source: Statistical Bulletin of the O.A.S., *vol. 9, no. 1–2, January–June 1987, table A-21, pp. 86–95.*

States that are losing Mexicans to migration include Coahuila, Zacatecas, San Luis Potosí, Querétaro, Hidalgo, Tlaxcala, Oaxaca, and Yucatán.

MEXICAN FAMILIES

Mexican family planning began under the Echevería administration, in the mid-1970s. Before 1975, the

HOME IMPROVEMENTS

Northern households are more likely to enjoy basic comforts than southern households.
(Mexican states by region with mean household size and share of homes with electricity and with running water, 1980)

Region and state	*Mean household size*	*Percent of homes with:*	
		electricity	*running water*
Total	5.70	74.6%	71.2%
Northwest			
Baja California	5.14	89.7	80.5
Baja California Sur	5.37	74.3	81.3
Nayarit	5.51	84.5	70.4
Sinaloa	6.26	69.6	57.3
Sonora	5.64	68.8	79.2
North			
Coahuila	5.63	85.4	85.5
Chihuahua	5.55	77.0	77.9
Durango	6.64	74.9	75.4
Nuevo León	5.90	88.6	88.8
Gulf			
Tamaulipas	5.30	72.7	73.5
Veracruz	5.66	59.2	51.0
Center-North			
Aguascalientes	6.38	86.7	90.8
San Luis Potosí	6.07	48.5	51.1
Zacatecas	6.55	55.3	53.2
West			
Colima	5.61	88.3	86.8
Guanajuato	6.43	76.0	70.9
Jalisco	6.09	84.4	81.6
Michoacán	5.61	58.9	57.3
Center			
Hidalgo	6.09	62.6	69.3
Morelos	5.85	85.6	78.6
Puebla	5.99	71.4	62.5
Querétaro	6.26	64.4	67.6
Tlaxcala	6.55	82.7	78.9
Valley of Mexico			
Federal District	4.94	97.4	94.3
State of México	6.07	84.2	83.4
South and Southeast			
Campeche	6.44	64.9	67.2
Chiapas	5.34	36.2	44.7
Guerrero	5.59	58.7	43.7
Oaxaca	5.18	50.5	46.4
Quintana Roo	5.54	74.9	51.6
Tabasco	5.77	44.6	35.1
Yucatán	5.73	79.7	55.0

Sources: *CONAPO,* Boletín Informativo 16, *1985, p. 18; INEGI, X Censo General de Población y Vivienda, 1980.*

CITY GROWTH

Urban areas will continue to grow fast.
(Population of Mexico and urban/rural average annual growth rates, 1970–80 and 2000–10)

1980	
Total population	69,655
Annual growth rates:	
Urban (1970–80)	*3.9%*
Rural (1970–80)	*1.1%*
2010	
Total population	133,354
Annual growth rates:	
Urban (2000–10)	*2.1%*
Rural (2000–10)	*0.2%*

Sources: *U.S. Bureau of the Census; CONAPO,* Boletín Informativo 16, *1985, p. 18; INEGI, X Censo General de Población y Vivienda, 1980.*

average Mexican woman could expect to bear about seven children in her lifetime. By the end of the century, that figure will probably be two or three, on average. Birth rates remain highest in central and southern Mexico, while they are lowest in the northern border states and in Quintana Roo.

Mexico's population is one of the youngest in Latin America. The median age fell from 18.3 years in 1950 to 17.4 years in 1980. It should rise to 22.8 by 2000, according to the United Nations. Considering that the U.S. median age was 31.7 years in 1985, Mexican median age is still quite low.

Working-age Mexicans, those aged 15 to 64, accounted for 53 percent of the population in 1985. The annual population growth rate of this group reached 3.2 percent from 1974 to 1984. Younger workers are becoming very important to the economy: The number of 25-to-29-year-olds grew 4.3 percent a year during the past decade.

In contrast, older Mexicans are harder to find. Only 5.2 percent of Mexico's population was over age 60 in 1980, a proportion that should top 6 percent by 2000, according to CONAPO.

Households are typically large, even by Latin American standards. Mexico's average household size is 5.7 persons. The states of Durango, Tlaxcala, and Zacatecas have the largest households, with 6.6 persons.

PESO-PINCHING

Mexico's foreign debt—now more than US$100 billion—has become the government's top concern. Some of the country's economic problems stem from the discovery of oil during the presidency of López Portillo (1976–82). In an effort to counter Arab control of the market, Portillo turned to oil exploration at the cost of diversifying industry.

Mexico's present administration carries this "oil hangover." Declining crude oil prices, high interest rates, and rising imports brought the crisis to a head in the form of foreign debt.

In 1984, 40 percent of Mexico's total public expenditure was allocated to public-sector debt service. Long-term foreign debt made up half of the GNP, and debt service represented 49 percent of the export of goods and services.

As in most Latin American countries, inflation is one of Mexico's major problems. By the mid-1970s,

KEEPING UP

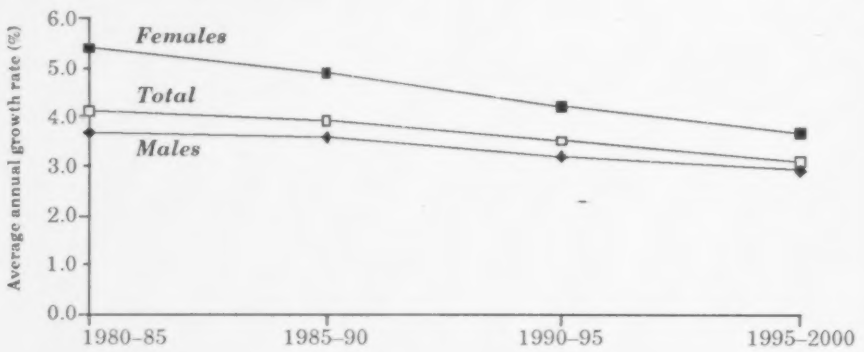
Four out of five Mexicans can now read and write. (Literacy rates in Mexican states, by region, 1980)*

Region and state	*Literacy rate*
Total	80.7%
Northwest	
Baja California	87.2
Baja California Sur	91.2
Nayarit	85.8
Sinaloa	80.7
Sonora	86.1
North	
Coahuila	88.2
Chihuahua	87.7
Durango	87.8
Nuevo León	88.6
Gulf	
Tamaulipas	88.2
Veracruz	73.8
Center-North	
Aguascalientes	86.9
San Luis Potosí	78.3
Zacatecas	83.3
West	
Colima	86.8
Guanajuato	74.8
Jalisco	82.8
Michoacán	68.9
Center	
Hidalgo	76.7
Morelos	83.1
Puebla	71.3
Querétaro	76.8
Tlaxcala	84.8
Valley of Mexico	
Federal District	92.0
State of México	82.6
South and Southeast	
Campeche	80.9
Chiapas	66.1
Guerrero	63.1
Oaxaca	70.5
Quintana Roo	75.2
Tabasco	77.0
Yucatán	74.4

** **Note:** Literacy rate is defined as the percent of the population 10 years and over who can read and write.*
***Sources:** CONAPO, Boletín Informativo 16, 1985, p. 18; INEGI, X Censo General de Población y Vivienda, 1980.*

WORKING IT OUT

The labor force grew fast when Mexican women started working. Now that the transition is over, the rate of growth will slow. (Estimated average annual growth rate in Mexico's labor force, by sex, in percent, 1980–85 to 1995–2000)



***Note:** Calculated using the population projections for Mexico and assumed economic activity rates.*
***Source:** U.S. Bureau of the Census, 1982.*

Mexico had joined other Latin American countries with inflation rates higher than 15 percent per year. Inflation grew 32 percent a year between 1973 and 1984. Officially, it ran at 102 percent in 1983, 64 percent in 1984 and 1985, and 78 percent in 1986. Projections for 1988 run from 120 to 200 percent.

PROSPERITY AND THE NEW NORTH

One of Mexico's strongest growth industries is energy. Consumption grew from 622 kilograms of oil per person in 1965 to 1,308 kilograms of oil in 1984. The average annual growth in energy output rose from 4.5 percent a year between 1965 and 1973 to 15.9 percent a year between 1973 and 1984.

The Gulf of Mexico region gained importance in the 1970s because of oil exploration. Manufacturing regions include Hidalgo, Morelos, Puebla, Querétaro, and Tlaxcala, as well as the state of México and the Federal District.

The southern states of Guerrero, Oaxaca, and Chiapas specialize in tourism, while the northwestern regions are developing agriculture, livestock breeding, and mining.

Most recently, Mexico's northern border states, including Baja California, Sonora, Chihuahua, Coahuila, Nuevo León, and Tamaulipas, are exploding as "in bond" export-processing zones. They have become a vital link to the U.S. economy.

TRADE TRENDS

Trade is more important to the Mexican economy now than ever before. In 1984, Mexican exports reached US$24.1 billion, slightly less than Hong Kong's 1984 exports. The average annual export growth was 19 percent between 1973 and 1984. It was only 1 percent between 1965 and 1973. Crude oil made up more than two-thirds of Mexican exports in 1985—up from 2 percent around 1972. Imports totaled US$11.3 billion in 1984.

FALLING FORTUNES

Mexican consumers have been tightening their purse strings since 1981. (Mexican per capita gross domestic product, in US$, 1981–86)

Year	*GDP*
1981	$2,518.50
1982	2,432.70
1983	2,237.50
1984	2,253.50
1985	2,245.40
1986	2,093.10

Source: Statistical Bulletin of the O.A.S., *vol. 9, no. 1–2, January–June 1987, table A-3, p. 36.*

TEEN FUTURE

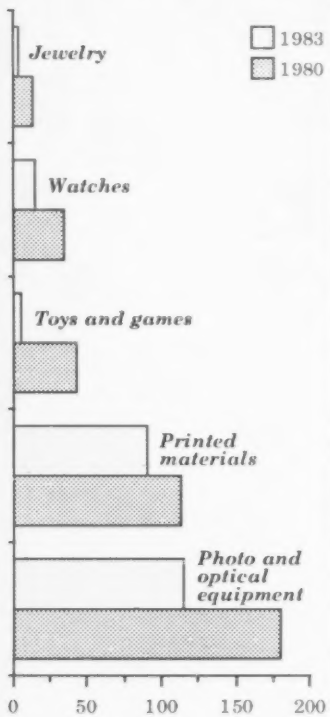
Mexico will stay young. Nearly half of the population will be aged 19 or younger in 1990. (Projected Mexican population by age and sex, and percentage in each age group, 1990)

Age	*Total*	*Percent*	*Males*	*Females*
All ages	86,214,924	100.0%	43,143,142	43,071,782
0–4	9,986,927	11.6	5,092,288	4,894,639
5–9	11,082,838	12.9	5,644,105	5,438,733
10–14	10,953,587	12.7	5,571,456	5,382,132
15–19	10,440,681	12.1	5,297,199	5,143,482
20–24	8,887,742	10.3	4,489,065	4,398,677
25–29	7,401,984	8.6	3,723,842	3,678,142
30–34	6,117,091	7.1	3,060,519	3,056,572
35–39	4,959,577	5.8	2,464,804	2,494,772
40–44	3,814,931	4.4	1,878,459	1,936,472
45–49	3,041,271	3.5	1,480,772	1,560,499
50–54	2,530,687	2.9	1,217,484	1,313,203
55–59	2,094,704	2.4	997,708	1,096,996
60–64	1,588,219	1.8	746,771	841,448
65–69	1,283,464	1.5	591,786	691,678
70–74	853,413	1.0	383,661	469,752
75–79	625,837	0.7	272,773	353,063
80+	551,969	0.6	230,448	321,521

Note: *CELADE's 1990 projected total population differs slightly from CONAPO's projection on p. 3.*
Source: *INEGI/CONAPO/CELADE,* México: Estimaciones y Proyecciones de Población 1950–2000, *pp. 21–22.*

LUXURY'S OUT

Mexicans cut out premium purchases at the first sign of recession.
(Mexican imports of selected leisure goods, in millions of US$, 1983 and 1980)



Source: *National Statistics of Mexico, in* Consumer Markets in Central America, *Euromonitor Publications, 1984, p. 156.*

WAGE VERTIGO

Fully 18.3 million Mexicans work. With the prospect of a job squeeze, more workers should move into the informal sector. Of Mexicans in formal-sector employment, 37 percent worked in manufacturing in 1985, 20 percent worked in commerce, and 24 percent worked in services.

A Mexican worker's real minimum wage dropped 8.8 percent from 1981 to 1982. By the end of 1986, the minimum wage reached US$1,064 per year, on average. With social-security taxes, an employer's monthly labor cost averaged US$1,524 per worker in 1986.

Mexican workers face sharp declines in purchasing power because of rampant inflation. Overall, consumer expenditures and retail sales fell 4 percent in 1982 and 19 percent in 1983. Per capita private consumption fell by 7.5 percent in 1983.

Wealth is highly concentrated in a few hands. In 1977 the poorest 20 percent of Mexicans shared only 3 percent of the national income, while the richest 20 percent shared 58 percent. In comparison, the poorest 20 percent of people in the United States shared 5 percent of the national income, while the richest 20 percent shared 40 percent.

HEALTH AND EDUCATION

A Mexican could only expect to live 51 years in the early 1950s. By the late 1970s, life expectancy increased to 64 years, and it is expected to reach 70 years by the end of the century, according to CONAPO.

Health care has improved, but it faces a funding crisis. There were 1,140 people for every doctor in 1981. That makes Mexican doctors twice as busy as doctors in the United States. Mexican welfare benefits, which cover workers with formal employment and their families, supported 31.6 million people at the end of 1985.

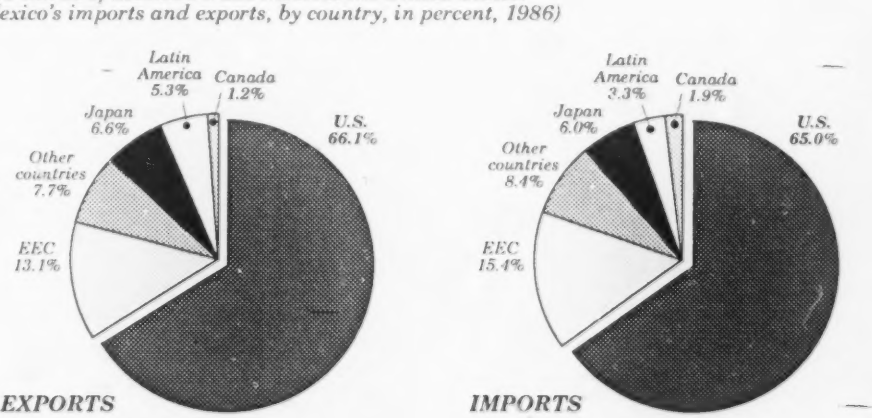
Mexican school enrollments are on the rise. Fifty-five percent of secondary-school-age children are enrolled in school, and 15 percent of 20-to-24-year-olds are enrolled in college. Only 4 percent of college-age students were enrolled in 1965.

Private schools are mostly located in the cities, and their cost is high. Primary school is compulsory, and free secondary education is provided by the government. Most universities are run by the state, and their cost is comparatively low.

—Ralph Hakkert
—Eduardo Juárez Aguirre
Belo Horizonte, Brazil

BALANCING ACT

Two-thirds of Mexican trade involves the United States.
(Mexico's imports and exports, by country, in percent, 1986)



Source: *Banco de México.*

*(**World at Work**, continued from page 1)*

The trend toward a shorter workweek is fueled by increased productivity through automation, a national desire to minimize unemployment, and a need to stay competitive in the international marketplace. Asian countries usually legislate a shorter workweek; European countries usually bargain for it collectively.

The maximum number of working hours differs by sector. Farmers, retail traders, and service workers usually work longer hours than industrial and government employees.

Longer holidays, reduced overtime, early retirement, and job sharing are on the increase as well. Austrian holidays increased from 25 days in 1984 to a minimum of 30 days in 1986. Belgian engineers can retire at age 55, and Dutch workers now can retire at 60 instead of 62.

"Flexitime"—where workers clock in and out around a "core" working period—is now commonplace for the world's white-collar workers. Spanish engineers spread their 40-hour workweek over six days. Electrical workers in Spain adjust their workweek with changes in the weather: A winter workweek is 42.5 hours, while a summer workweek is only 32.5 hours. Most European countries are experimenting with a 4-day workweek.

The demand for part-time workers is increasing as people move into service jobs. The number of part-time workers in industrialized countries reached 45 million people by 1985, an increase of at least 2.5 million people since 1982.

Part-timers made up 29 percent of the labor force in Norway, 23 percent in Sweden, and 10 percent in West Germany and France in 1985. The share of part-timers in the U.S., Canada, and Australia ranged from 15 to 19 percent, while one in ten Japanese worked part-time in 1985.

Women make up the largest share of part-time workers. More than nine out of ten British and German part-time workers were women in 1985. In Sweden, women made up 84 percent of all part-time workers.

—Stephen Karel
East-West Center
Honolulu, Hawaii

WORLD HOLIDAYS

Public holidays are plentiful in Middle-Eastern and Asian countries. They are scarce in Eastern Europe.
(Comparison of public holidays when no work is performed, by region and selected countries, 1988)

Region	*Average number of days off**
Middle East	**16**
United Arab Emirates	37
Jordan	17
Israel	8
Asia	**15**
Sri Lanka	30
Japan	18
Laos	5
South America and the Caribbean	**13**
El Salvador	24
Jamaica	9
Africa	**13**
Tunisia	21
Chad	15
Mozambique	8
Western Europe	**12**
Finland	16
France	11
United Kingdom	9
North America	**11**
Canada	12
U.S.	10
Eastern Europe	**7**
U.S.S.R.	8
Poland	7
Czechoslovakia	5

** **Note:** Does not account for weekend overlap.*
Source: The World Business Calendar 1988, *Educational Extension Systems, Washington, D.C., pp. 22–27.*

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DISCOVER: LYON, FRANCE

Research and service jobs attract French workers to Lyon.

Lyon* may be less well known than Paris, but it is just as important to the French economy. With 1.2 million people in the metropolitan area and more than 418,000 in the city, Lyon attracts businesses from all over the world. More than 100 companies from the U.S. alone have offices there.

Only one-eighth the size of the Paris metropolitan area, Lyon's 1,240 square miles join the Rhône and Saône rivers. By 1982 more than 8,600 people shared each square kilometer of the city.

Lyon's nine districts, or *arrondissements,* are not evenly populated. The third and eighth districts each have more than 65,000 people. The first and second districts have fewer than 30,000 people.

** **Note:** This profile uses the French spelling of the city of Lyon. The English spelling is Lyons.*

THE RHÔNE-ALPES REGION

Lyon is part of the larger Rhône-Alpes region, an area about the size of Switzerland with more than 5.1 million people. Fully one-tenth of all French people live in this region, which is as populous as Denmark.

Rhône-Alpes residents are young: one-third are aged 20 or younger. With almost half of the population working, or 2.2 million people, the Rhône-Alpes region has the country's second largest labor force.

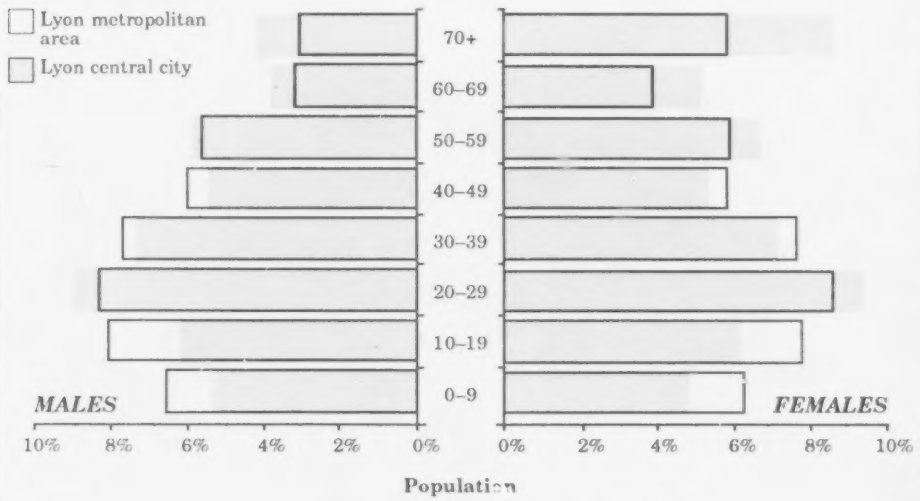
UNDISCOVERED MARKETS

In metropolitan Lyon, 835,000 people work. Industry, service, and commercial enterprises are the city's largest employers. Twenty-nine percent of Lyon employees work in industry and 41 percent work in service occupations, compared with a national average of 26 percent and 39 percent, respectively.

Wages in Lyon tend to be higher and unemployment lower than the national average. Lyon residents made US$10,261 in 1983, while

WARTIME WIDOWS

World War II left its mark on Lyon's population. The share of elderly women exceeds the share of elderly men by more than five percent.
(Population of Lyon metropolitan area and Lyon central city, by age group, 1983)



Source: General Data Concerning the Lyon Region, *Association pour le Développement Économique de la Région Lyonnaise, 1986, p. 2.*

Rhône-Alpes residents made US$9,631. The average French worker made US$10,169. Only 8 percent of Lyon workers were out of work in 1985, compared with 11.5 percent nationally.

But equality is farther off here than in other parts of the country. While Lyon men made more than most French men in 1983, Lyon women made less. A Lyon woman made only 69 percent of a Lyon man's salary in 1983, while the average French woman made 75 percent of the average French man's salary that year.

SERVICE CENTER

Economically, Lyon is France's fastest-growing city. The region exports fully 38 percent of all the goods and services it produces. Lyon and its surrounding area hold about 7.5 percent of France's bank deposits and only about 5.5 percent of its outstanding loans.

Banking, insurance, and textiles are Lyon's three major industries. *Canuts,* or silk workers, are vital to Lyon's economy. They produce silk-based protective clothing and meteorological balloons for the French armed forces, as well as traditional silk kimonos for export to Japan.

Consumer purchasing power in Lyon rivals consumer purchasing power in Paris. More than 38 million people live within a 300 mile radius of Lyon, and another 23 million Swiss, Italians, and Spaniards live 200 miles beyond that.

TECHNOPOLES

Lyon is second only to Paris in French research and development. Of the area's 150 research laboratories, about 100 focus on biotechnology and biomedical engineering. Five of the country's 12 largest research centers are located in Lyon. In all, the Rhône-Alpes region employs 20,000 researchers, 10 percent of the country's total.

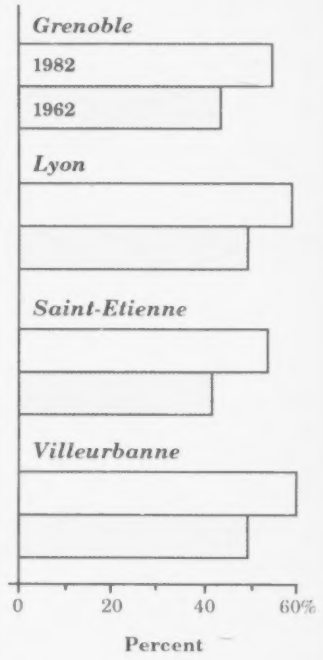
Lyon brings research, education, and business together in "technopoles," facilities devoted to science, computers, and biotechnology. More than 32,000 acres are devoted to the 200 business and industrial parks in the region.

The *Association pour le Développment Economique de la Région Lyonnaise* (ADERLY) attracts companies from around the world to Lyon, including six companies from Finland within the past 18 months. "U.S. companies are looking increasingly to opportunities in southern Europe," says Xavier Schaefer, part of ADERLY's international marketing team. Lyon's geographic setting, he adds, is promising not only for expansion but also for distribution to southern and northern Europe.

—Peter Inserra
Lyon, France

WORKING WOMEN

Of smaller French cities, Villeurbanne has the largest share of working women. (Percentage of women who work in selected French cities, 1962 and 1982)



Source: RP exhaustif 1962–1968–1975 et RP 1982 sondage au 1/20e pour Lyon, au 1/4 pour Grenoble et Saint-Etienne et au 1/5e pour Villeurbanne, INSEE.

SERVICE CENTER

Service and industry employ a larger share of Lyon workers than the national average. (Employment by sector, in number and percent, for the Lyon area and France, 1982)

	Lyon area		France	
Sector	*Number*	*Share*	*Number*	*Share*
Services	343,358	41%	9,268,897	39%
Industry	239,766	29	6,116,531	26
Commerce	103,592	12	2,799,489	12
Construction	65,163	8	1,909,060	8
Transport/communications	57,644	7	1,482,083	6
Agriculture	25,898	3	1,929,060	8

Source: General Data Concerning the Lyon Region, *Association pour le Développement Économique de la Région Lyonnaise, 1986, p. 2.*

PEDALING EAST

First-time car buyers don't live in the West anymore.

It's no wonder that car buyers ignore expert predictions. In 1978, one auto-industry study estimated that the world supply of cars would grow from 300 million to 700 million by 2000. The study claimed that for every eight people in the world, one would own a car by the end of the century. But by 1985, only one out of 13 people around the world—and one out of 100 people in the Third World—was a car owner. Now experts say that the worldwide car supply won't top 530 million by 2000.

P R O D U C T C O M P A R I S O N

At the same time that the world auto industry was predicting exaggerated growth, the Organization for Economic Cooperation and Development (OECD)—after two oil shocks—forecast the auto industry's death. Only fuel-efficient, boxy mobiles would attract about 38 million buyers by 1990, it claimed. Luxury and transportation would begin to mix like oil and water.

But the fickle car consumer challenged both projections, the euphoric and the dismal. Car-buying did hit an all-time high in the early 1970s, but it skidded into an oil crunch by the end of the decade. When the industry shrank car features down to the basics in the early 1980s, consumers began to demand luxury, status, and style again.

That pattern still confuses the world's 150 producers of 31 million cars annually. Where are the new auto consumers and what do they want?

Traditionally, the U.S. and Europe bought and sold cars for each other. In 1960, about 80 percent of car exports stayed within OECD countries. Car ownership in the U.S. grew 4 percent a year between 1950 and 1973, and 2 percent a year between 1974 and 1985, according to the Worldwatch Institute.

But the growth of the Japanese auto industry changed the nature of this OECD trade. In 1965 Japan exported US$115 million worth of automobiles. By 1985, it exported US$25 billion, or one-third of the OECD total. Japanese producers now target their domestic buyers. The Japan Automobile Dealers Association predicts that domestic sales will top 4.2 million cars by the end of the year.

The number of Japanese car buyers is growing for two reasons: disposable income is rising, and real estate is becoming unaffordable. With

AUTO-MATION

Nearly one million workers have left the auto industry since 1979. Most producers meet the current rise in demand through increased automation. (Employment in selected automobile companies, 1979 and 1985)

	1985	1979
United States*		
General Motors	511,000†	618,000
Ford	174,000†	239,000
Chrysler	85,000	109,000
West Germany		
VW Audi	259,000	240,000
Daimler Benz	162,000	141,000
Ford Germany	46,000	57,000
France		
Peugeot	177,000	265,000
Renault (cars)	144,000	164,000
Great Britain		
British Leyland	102,000	168,000
Ford UK	53,000	67,000
Italy		
Fiat (cars)	100,000	164,000
Sweden		
Volvo group	66,000	65,000
Japan		
Toyota	62,000	45,000
Nissan	59,000	57,000
Honda	27,000	21,000

** **Note:** The figures for U.S. auto makers are for their U.S. employees only.*
*† **Note:** Some automobile companies include workers in non-automotive activities.*
***Source:** Daniel T. Jones, "Structural Adjustment in the Automobile Industry," Science Technology Industry Review, OECD, Paris, no. 3, April 1988, p. 10.*

no incentive to save their extra yen for a home, Japanese consumers have gone on a buying binge. Sales of mid-sized cars grew 19 percent from March to April of this year. Small-car sales rose 18 percent.

Japanese consumers now buy more than 2,000 new BMWs and about 1,800 Mercedes a month. In April, the number of German cars imported into Japan rose 32 percent from the year before.

Few new cars now go to first-time buyers in industrialized countries other than Japan. More than two-thirds of all cars bought in Europe and the United States replace old automobiles. That increases the potential for used-car sales.

In the United States, one in two people owned a car, on average, in 1985. One in three owned a car in West Germany, Italy, France, and the United Kingdom, and one in four owned a car in Japan. Experts predict an overcapacity of 6 to 7 million cars by 1990.

Declining real income is one reason why American households think twice before buying a new car. It took 18 weeks worth of median family income in the U.S. to buy a new car in 1979—by 1986 it took 23 weeks worth. In addition, the University of Michigan's Transportation Research Institute predicted that the median U.S. car price will rise nearly 20 percent from 1985 to 1995.

The situation is even worse in Latin America. As real wages fell between 25 and 50 percent in Brazil and in Mexico, the demand for automobiles also was cut in half. There are now nearly 13 people for every car in Brazil and 15 people for every car in Mexico. In 1984, it took a Mexican 265 weeks to earn enough money to buy a Ford Topaz, according to the Worldwatch Institute.

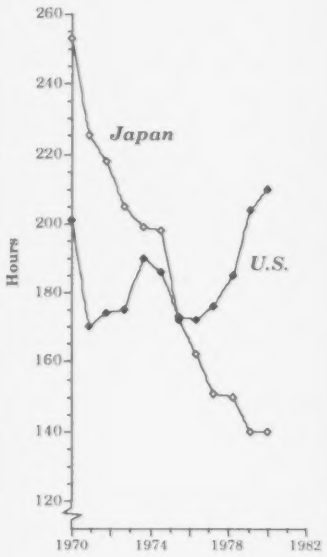
Although the population is growing by about 2 percent a year in most other Latin American countries, the relative share of car buyers will not grow significantly. Wealth is concentrated in a very small segment of the region's population: the richest 10 percent of all Brazilians, for example, earn more than half of the national income.

Unlike Latin America, real incomes are rising fast in the Newly Industrialized Countries. South Korean car sales have tripled since 1980, and the number of Chinese car owners has increased tenfold in only five years. Still, there is room for growth: currently there is only one car owner for every 77 South Koreans and for every 2,000 Chinese.

—Blayne Cutler

TRADING PLACES

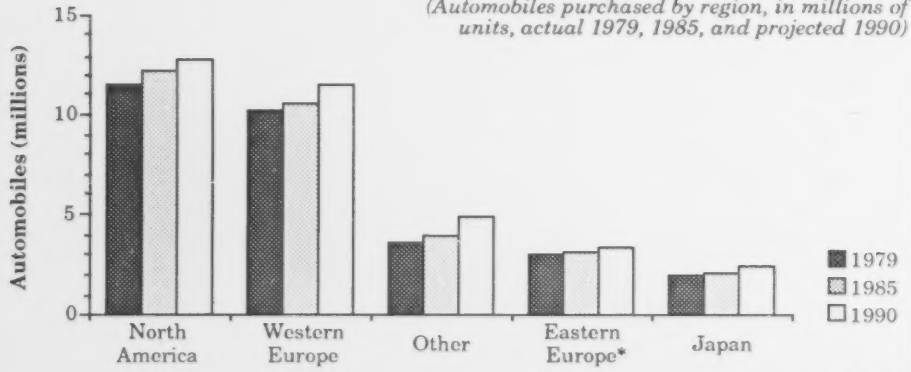
How long does it take to build your car? It depends on who builds it. (Hours required to build an automobile, Japan and U.S., 1970–1981)



Source: Daniel T. Jones, "Structural Adjustment in the Automobile Industry," Science Technology Industry Review, no. 3, OECD, Paris, April 1988, p. 25.

CAR CRAVINGS

Car consumption is still rising, but first-time buyers won't be concentrated in the U.S. and Europe anymore. (Automobiles purchased by region, in millions of units, actual 1979, 1985, and projected 1990)



** Note: Includes U.S.S.R.*

Source: OECD, 1983, pp. 22 and 42, and Automotive News, *12/29/86, p. 5; in Daniel T. Jones, "Structural Adjustment in the Automobile Industry," Science Technology Industry Review, no. 3, OECD, Paris, April 1988, p. 14.*

REGIONS: CONSUMER TRENDS AROUND THE WORLD

Britain's 1991 national census brings controversy. Census officials announced that the trial census will include a question on racial origin never before included in a British census.

EUROPE

Officials proposed the racial origin question in 1981 but later abandoned it under pressure. A government spokesman denied that the question was designed to track down illegal immigrants.

Britain's trial census will cover about 85,000 households in Edinburgh, London, and at least one other location.

Will Canadian couch potatoes kill the big screen? Annual movie attendance fell from 17 movies per person in 1950 to 3 movies per person in 1985, according to Statistics Canada. The total number of movie tickets sold dropped from about 250 million in the 1950s to just under 75 million in 1985.

While most of the drop in regular movie attendance took place in the 1950s, most of the decline in drive-in attendance occurred during the past decade. The number of Canadian drive-in fans fell from 13 million in 1976 to fewer than 6 million in 1985.

"Family theaters" threaten the life of the big screen. Two-thirds of Canadian households are cable households, while one-third are VCR households. These figures correspond to a decline in the number of motion picture theaters from 1,950 in 1955 to 788 in 1985. The number of drive-ins fell from 315 in 1975 to 219 in 1985.

I N T E R N A T I O N A L D E M O M E M O

Where TV violence is greatest

(Violent acts per hour on prime-time television):

West Germany	*8.6*
Japan	*7.0*
U.S.	*5.5*
Great Britain	*2.5*

Source: *G. Cumberbatch, Aston University, in* The Economist, *5/21/88, p. 66.*

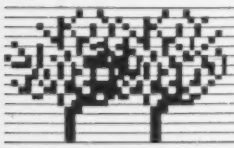
Japanese reassess their priorities: family is more important than health and work, according to *Asahi Shimbum*'s citizens' consciousness trends survey. While 42 percent of Japanese chose health as their number one priority, and only 33 percent chose family in 1978, those shares have reversed in 1987. Both family and health still take precedence over work, money, property, and friends.

ASIA/ PACIFIC

Japanese white-collar workers dream of owning their own homes, travelling abroad, marrying, and having a "happy family," according to Hakuhodo Institute of Life and Living's *1987 Survey of Male and Female White Collar Workers.*

But recent gains in household income do not necessarily bring life satisfaction. Only 65 percent of Japanese reported that they were "satisfied with their present life" in 1987, compared to 71 percent in 1985, according to the *Public Opinion Poll on National Life* conducted by the Prime Minister's Office. One in four Japanese felt that "life will get better in the future" in 1985. In 1987 only one in five felt that way.

Canadians watch few native films. More than half the feature films shown in 1983 came from the United States. Nineteen percent of all new releases from 1972 to 1983 were French while 9 percent were Italian. In all, new releases fell from a peak of 970 in 1979 to 474 in 1983.



NORTH AMERICA

Canadians in Alberta watch the most movies. They watched 4 movies at the theater in 1985, on average, while Canadians in New Brunswick, Newfoundland, Prince Edward Island, and Quebec only watched two movies that year.

Urban women in the Dominican Republic are more likely to have a college education than rural women, according to the Institute for Resource Development's Demographic and Health Survey, *Encuesta Demografica y de Salud,* conducted in conjunction with the government's population agency, Consejo Nacional de Poblacion y Familia.

Overall, only 8 percent of women are college-educated, but 12 percent of urban women and 2 percent of rural women have been to a university.

Women in the National District, or the Distrito Nacional, are the most likely to have a college degree. Fully 12.3 percent of these women have received higher education. Women in the southwestern provinces, such as Pedernales, Barahona, San Juan, and Independencia, are the least likely to be college educated. Only 3.1 percent of these women have attended a university.

C I T Y S T A T S

CLOSE QUARTERS

Urban Chinese families live a cramped lifestyle by Western standards. (Living space per household, and per capita, in square meters, and number of rooms per household, by Chinese city, 1985)

	Space per household (sq. m.)	*Space per capita (sq. m.)*	*Number of rooms per household*
National average	32.96	8.60	2.02
Cities:	27.78	7.48	1.81
Beijing	30.75	8.23	2.09
Tianjin	25.06	6.95	1.66
Taiyuan	34.53	8.33	2.15
Shenyang	21.71	6.05	1.33
Dalian	22.88	6.31	1.62
Anshan	24.25	6.78	1.38
Changchun	24.13	6.49	1.58
Harbin	26.02	6.47	1.59
Shanghai	25.77	6.99	1.72
Nanjing	30.63	8.70	1.94
Jinan	33.53	9.00	2.30
Qingdao	27.39	7.73	1.94
Wuhan	32.78	8.74	1.97
Guangzhou	32.56	8.12	2.07
Chongqing	23.58	8.01	1.94
Chengdu	34.55	9.63	2.12
Kunming	30.03	8.50	2.06
Xian	32.00	8.51	2.06
Lanzhou	32.44	8.56	2.13

Source: A Survey of Income and Expenditure of Urban Households in China, 1985, *State Statistical Bureau, China Statistical Information and Consultancy Service Centre and the East West Center, Hawaii, 1988, p. 12.*

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The Economics of Mass Migration in the Twentieth Century, Sidney Klein, Paragon House Publishers, 2 Dag Hammarskjold Plaza, New York, NY 10017, US$22.95.

Most immigrants are workers. They send their money to relatives who live abroad, and they contribute to economic growth and cultural diversity. But immigrants can also displace native workers.

How have the 3 million people who came to the U.S. between 1980 and 1984 fared, given the costs and benefits of immigration? Author Sidney Klein weighs the bonuses that immigrants add to a population against the problems they cause for themselves and their new neighbors.

Klein examines the consumer and employment patterns of Koreans and Indians in the U.S., Europeans in Latin America, and Asians in Australia and New Zealand.

Koreans in the United States, for example, had higher incomes, more workers per family, and a higher share of women employed, than the general population in 1980, according to the Census Bureau.

Of the 94,000 Indian workers in the U.S. in 1981, 72,800 worked in professional or technical occupations, according to Klein. More than 6,000 worked as managers and administrators, and 11,000 worked as sales, clerical, or craftspeople. Only 4,100 Indians worked as laborers or service workers.

More migrants to Australia are coming as refugees from Asia, according to Klein. The share of migrants from East Asia grew from 4 percent in 1951 to 27 percent in 1980. Thirteen percent of all Australian immigrants in 1978 were refugees, while 19 percent were refugees in 1982. The share of foreigners who came to unite with their families declined from 27 percent of in 1978 to 18 percent in 1982.

—Blayne Cutler

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